



# Community Development Financial Institutions Fund

**Financial Assistance Component Program**  
**FY 2005 Application**

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Application Approval Number is pending from the Office of Management and Budget. Application is considered DRAFT until this number is assigned.

OMB Approval No. 1559-0006  
CDFI-0006

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Paperwork Reduction Act Notice

This submission requirements package is provided to Applicants for awards under the Community Development Financial Institutions Program. The Estimated average burden associated with this collection of information is 100 hours per respondent, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Community Development Financial Institutions Fund, 601 Thirteenth Street, N.W., Suite 200-South, Washington, DC 20005.

**Catalog of Federal Domestic Assistance Number: 21.020**

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**Note: The *Applicant* must complete the following key components of the Application in myCDFIFund: Applicant Information and separate Excel spreadsheets. These sections are NOT included in this document.**

Capitalized terms not otherwise defined herein are defined in the Community Development Financial Institutions Program Regulations (12 CFR §§1805, *et seq.*), the Notice of Funds Availability, or the CDFI Program Glossary. All materials are available on the CDFI Fund website: [www.cdfifund.gov](http://www.cdfifund.gov).

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# Legal Documents

## A. Environmental Review Form

The Fund's environmental review requirements are set forth in 12 CFR part 1815. The *Applicant* should review such regulations carefully before completing this section. In order to assure compliance with those regulations and other requirements related to the environment, the *Applicant* shall provide the following information:

	Yes	No
1. Are there any actions proposed in the application that do not constitute a "categorical exclusion" as defined in 12 CFR § 1815.110?		
If YES, would any of these actions normally require an environmental impact statement (see 12 CFR § 1815.108)?		
2. Are there any activities proposed in the application that involve:		
a. Historical or archeological sites listed in the National Register of Historic Places or that may be eligible for such listing?		
b. Wilderness areas designated or proposed under the Wilderness Act?		
c. Wild or scenic rivers proposed or listed under the Wild and Scenic Rivers Act?		
d. Critical habitats of endangered or threatened species?		
e. Natural landmarks listed on the National Registry of National Landmarks?		
f. Coastal barrier resource systems?		
g. Coastal Zone Management Areas?		
h. Sole Source Aquifer Recharge Areas designated by EPA?		
i. Wetlands?		
j. Flood plains?		
k. Prime and unique farmland?		
l. Properties listed or under construction for listing on the Environmental Protection Agency's List of Violating Facilities?		
If you responded YES to any of the above questions, attach a detailed description of each action, clearly identifying the category in which the action falls.		

As stated in 12 CFR § 1815.105, if the Fund determines that the application proposes actions which require an environmental assessment or an environmental impact statement, any approval and funding of the application shall be contingent upon:

The *Applicant* supplying to the Fund all information necessary for the Fund to perform or have performed any required environmental review;  
The *Applicant* not using any Fund *Financial Assistance* to perform any of the proposed actions in the application requiring an environmental review until approval is received from the Fund; and the outcome of the required environmental review.

In addition, as stated in 12 CFR § 1815.106, if the Fund determines that an application, or any part thereof, is not sufficiently definite to perform a meaningful environmental review prior to approval of the application, final approval and funding of the application shall require supplemental environmental review prior to the taking of any action directly using Fund *Financial Assistance* for any action that is not a categorical exclusion.

## B. OMB Standard Form 424b: Assurances Non-Construction Programs

**Note:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency.

As the duly Authorized Representative of the *Applicant*, I certify that the *Applicant*:

Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any *Authorized Representative*, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal organizational conflict of interest, or personal gain.

Will initiate and complete the work (activities in application) within the applicable time frame after receipt of approval of the awarding agency.

Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).

Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights

Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination provisions in the specific statute(s) which may apply to the application.

Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91- 646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs.

These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

Will comply, as applicable, with the provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.

Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard to participate in the program and to purchase flood insurance if the total cost of insurance construction and acquisition is \$10,000 or more.

Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in flood plains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974,

as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).

Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).

Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

Will cause to be performed, the required financial and compliance audits in accordance with the single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

## C. Additional Certifications

In addition to the assurances and certifications provided by the *Applicant* pursuant to OMB Standard Form 424B, the *Applicant* hereby assures and certifies that:

It is duly organized and validly existing under the laws of jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this application.

Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this application, including all understandings and assurances contained herein, and directed and authorized the person identified as the *Authorized Representative* of the *Applicant* to act in connection with this application and to provide such additional information as may be required;

It will comply with all applicable requirements of the Community Development Banking and Financing Institutions Act of 1994 (the Act) [12 U.S.C. 4701 et seq.], regulations implementing the Act and all other applicable Department of the Treasury regulations and implementing

procedures (and any regulations or procedures which are later promulgated to supplement or replace them);

It will comply, as applicable and appropriate, with the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;

It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this application or any related document, correspondence or communication. (The *Applicant* and its *Authorized Representative* should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and

The information in this application, and in these assurances and certifications in support of the application, is true and correct to the best of the *Applicant's* knowledge and belief and the filing of this application has been duly authorized.

## **D. Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions**

By signing and submitting this application, the prospective primary participant (the *Applicant*) is providing the certification set out below.

The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective *Applicant* shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the application). However, failure of the *Applicant* to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

This certification is a material representation of fact upon which reliance is placed when the Fund determines to enter into this transaction. If it is later determined that the *Applicant* knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

The *Applicant* shall provide immediate written notice to the Fund if at any time the *Applicant* learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549.

You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).

The *Applicant* agrees by submitting this application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.

The *Applicant* further agrees by submitting this application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a



participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered

transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

## **E. Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions**

The prospective primary participant (the *Applicant*) certifies to the best of its knowledge and belief, that it and its principals:

Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery,

bribery, falsification or destruction of records, making false statements, or receiving stolen property;

Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default.

Where the *Applicant* is unable to certify to any of the statements in this certification such *Applicant* shall attach an explanation to this proposal.

## **F. Certification Regarding Drug-Free Workforce Requirements**

By signing and/or submitting this application, the *Applicant* is providing the certification set out below.

The certification set out below is a material representation of fact upon which reliance is placed when the Fund makes its grant awards. If it is later determined that the *Applicant* knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace

Act, the Fund, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

Workplaces need not be identified on the certification. If known, they may be identified in the application. If the *Applicant* does not identify the workplaces at the time of application, or upon award, if there is no application, the *Applicant* must keep the

identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the *Applicant's* drug-free workplace requirements.

Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant award takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio studios).

If the workplace identified to the Fund changes during the performance of the grant award, the *Applicant* shall inform the Fund of the change(s), if it previously identified the workplaces in question (see paragraph five).

Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. *Applicants'* attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act ([21 U.S.C. 812](#)) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of an *Applicant* directly engaged in the

performance of work under a grant award, including: (i) All direct charge employees; (ii) All indirect charge employees unless their impact or involvement is insignificant to the performance of the grant award; and (iii) Temporary personnel and consultants who are directly engaged in the performance of work under the grant award and who are on the *Applicant's* payroll. This definition does not include workers not on the payroll of the *Applicant* (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the *Applicant's* payroll; or employees of subrecipients or subcontractors in covered workplaces).

The *Applicant* certifies that it will or will continue to provide a drug-free workplace by:

Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the *Applicant's* workplace and specifying the actions that will be taken against employees for violation of such prohibition;

Establishing a drug-free awareness program to inform employees about:

- 1) The dangers of drug abuse in the workplace;
- 2) The *Applicant's* policy of maintaining a drug-free workplace;
- 3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- 4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph (a);

Notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:

- 1) Abide by the terms of the statement; and
- 2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the granting agency in writing, within ten calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant office and/or other designee on whose grant activity the convicted employee was working, unless the Federal Agency has designated central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted:

1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).

2. The *Applicant* may insert in the space provided below the site(s) for the performance of work (activities carried out by the *Applicant*) to be done in connection with the award:

Place of Performance (Street Address, City, County, State and Zip Code)

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## G. Certification Regarding Lobbying

1. The *Applicant* certifies, to the best of its knowledge and belief, that:

- a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the *Applicant*, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract,

the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or

employee of Congress, or an employee of a Member of Congress in connection with this application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

- b) The *Applicant* shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that

all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into.

Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C.1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

## H. 501(c)(4) Questionnaire

### a. Instructions

(To be completed by 501 (c)(4) organizations only)

This questionnaire is necessary for the Fund to determine whether an *Applicant* that has a 501 (c)(4) designation from the Internal Revenue Service is eligible to receive an award from the Fund (see 12 C.F.R. § 1805.200(a)(3)).

Please read all definitions before responding to the questions and continue to refer to such definitions in responding to this questionnaire. If the answer to any question is yes, please describe in detail the facts and circumstances, the subject matter(s), the date(s), the names and titles of all individuals and their employers and their organizations on a separate sheet(s) of paper. The Fund reserves the right to seek follow-up responses from an *Applicant*.

Failure to complete this questionnaire and, if applicable, respond timely to follow-up questions, will delay the Fund's processing of the Application, and may result in the disqualification of the Application from further consideration. After the submission of responses to this questionnaire, the *Applicant* is under a continuing obligation to: 1) supplement its responses upon a change in circumstances; and 2) revise or modify its responses within 10 business days of having actual or constructive knowledge that the responses previously submitted and certified are no longer complete, accurate, or true. You may call the Fund's Office of Legal Counsel at (202) 622-8662 if you have any questions about this form.

### b. Scope

The scope of this questionnaire is limited to activities on or after January 1, 1996.

### c. Questions

1. Has any officer, employee, director, partner, proprietor, or board member contacted<sup>1</sup> a "covered executive branch official"<sup>2</sup> with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?

<sup>1</sup> "Contacted" means any oral or written communication including an electronic communication.

<sup>2</sup> "Covered executive branch official" means –

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Has any officer, employee, director, partner, proprietor, or board member contacted a "covered executive branch official" with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered executive branch official" with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration or a Federal contract, grant, loan, permit, or license)?

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered executive branch official" with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a "covered executive branch official," including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 1-4?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official"<sup>3</sup> with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?

- 
- (1) the President;
  - (2) the Vice President ;
  - (3) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;
  - (4) any officer or employee serving in an Executive Level I-V position, a "Schedule C" position, or any official in a Senior Executive Service position;
  - (5) any member of the uniformed services serving at grade 0-7 or above; or
  - (6) any officer or employee serving in a position of a confidential, policy determining, policy-making, or policy-advocating character.

<sup>3</sup> "Covered legislative branch official" means—

- 1) a member of Congress;
- 2) an elected officer of either House of Congress; and
- 3) any employee of the House or Senate, including employees of members, committees, leadership and working groups or caucuses organized to provide legislative services or other assistance to Members of Congress.

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official" with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Has any officer employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official" with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license)?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered legislative branch official" with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a "covered legislative branch official," including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 6-9?

Yes \_\_\_\_\_ No \_\_\_\_\_

### Signature

By signing this application, the *Applicant* certifies that the *Applicant's* answers to the 501(c)(4) Questionnaire and the written explanations attached thereto are true, accurate, and complete to the best of its information, knowledge, and belief and that, since January 1, 1996, the *Applicant* has not engaged in Lobbying Activities as defined in Section 3 (7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

## Matching Funds

Complete the **Matching Funds Summary Chart**.

**NOTE:** Category I/SECA Applicants are required to have at least 30 percent of *Matching Funds In-Hand* and/or *Firmly Committed* as of the Application deadline. Refer to the FY 2005 Financial Assistance Component Guidance Document for additional information.

### For Category I/SECA Applicants Only:

1. If the *Applicant* does not have 100 percent of *Matching Funds In-Hand* and/or *Firmly Committed* as of the Application deadline, what is the *Applicant's* strategy to obtain the *Matching Funds* to be raised by April 30, 2006?

**Narrative:**

# Technical Assistance Request

**NOTE:** *Technical Assistance* is used to build the internal capacity of the *Applicant* to serve its Target Market(s). Eligible uses of *Technical Assistance* include the cost of acquiring consulting services; paying staff salary for limited purposes; the acquisition of technology; staff, management, and/or board training; and other activities. *Technical Assistance* awards cannot be used for costs deemed to be ongoing operating expenses, including staff salaries, rent, interest on borrowed money, and printing costs. *Technical Assistance* awards may not be used to assist an *Applicant* in preparing an application for funding from the CDFI Fund or any other source.

**NOTE:** Complete this section only if requesting Technical Assistance.

Complete the applicable **Technical Assistance Request Chart(s)**:

- ☐ **Technical Assistance Request Chart: Consulting Services**
- ☐ **Technical Assistance Request Chart: Staff Salary**
- ☐ **Technical Assistance Request Chart: Technology**
- ☐ **Technical Assistance Request Chart: Training**
- ☐ **Technical Assistance Request Chart: Other**
- ☐ **Technical Assistance Request: Staff Expense Calculator** (only if *Applicant* is requesting TA for Staff Salary)

**NOTE:** If staff salary is requested, submit the resume for the applicable staff member(s).

2. For each line item identified in the **Technical Assistance Request Chart(s)**, briefly explain how the *Technical Assistance* will improve the *Applicant's* capacity to serve its *Target Market(s)*.

Narrative:



## Profile & Executive Summary

(No points, for information purposes only)

3. Provide a narrative describing the *Applicant's* mission, key products and services, community development track record, and impacts to date in its *Target Market*. Use the following model:

**Example Applicant Profile:** Founded in 1998, the ABC CDFI is a non-profit housing loan fund that serves 13 rural Appalachian counties in West Virginia. ABC CDFI's primary mission is "to provide affordable housing products to the low-income residents of Appalachian counties." The key products include first and second mortgages, home equity lines of credit, and downpayment assistance forgivable grants. To date, ABC CDFI has created over 1,000 first time homeowners, has over \$1 million in readily available lines of credit, and has provided over \$1.5 million in downpayment assistance.

**Applicant Profile:**

4. Summarize the key elements of the *Comprehensive Business Plan*, expected outcomes, and proposed uses of *Financial Assistance* and *Technical Assistance*, if applicable. **(Suggested length: up to 1 page)**

**Narrative:**

# Market Need and Community Development Performance

**Purpose:** The Market Need and Community Development Performance section evaluates the *Applicant's* understanding of its market context and its current and projected customers; the extent of economic distress within the designated *Investment Area(s)*, including distress caused by severe natural disasters, or the extent of need within the designated *Targeted Population(s)*; the extent of need for *Equity Investments*, loans, or *Development Services* or *Financial Services* within the designated *Target Market*; the extent of demand within the *Target Market* for the *Applicant's* products and services, and the *Applicant's* business strategy for addressing demand. The Fund will evaluate the *Applicant's* products and services, marketing and outreach efforts, and delivery strategy, including its track record, the extent to which the *Applicant* will provide products that meet key community development needs, and the nature of coordination with other community development participants. Finally, the Fund will consider the *Applicant's* track record and likelihood of meeting its projections for community development impact, the extent to which the proposed activities will serve its *Target Market(s)*, the need for and likely effectiveness of the proposed use of Fund dollars, and the *Applicant's* use of prior Fund awards, if applicable.

## I. Market Need

Check the *Target Market(s)* the *Applicant* intends to serve with the *Financial Assistance* request:

Target Market Served Table (check all that apply)	
<input type="checkbox"/>	Affordable Housing <i>Hot Zone</i>
<input type="checkbox"/>	Economic Development <i>Hot Zone</i>
<input type="checkbox"/>	Combination <i>Hot Zones</i> (Affordable Housing and Economic Development)
<input type="checkbox"/>	Non- <i>Hot Zone</i> Severely Distressed Non-Metropolitan (rural) Area
<input type="checkbox"/>	African Americans ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Hispanics/Latinos ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Native Americans ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Alaska Natives in Alaska ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Native Hawaiians in Hawaii ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Other Pacific Islanders in Other Pacific Islands ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Other ( <i>Other Targeted Population</i> )
<input type="checkbox"/>	Low-Income <i>Targeted Population</i>
<input type="checkbox"/>	<i>Investment Area</i>

**Note:** In order to receive credit for serving a *Hot Zone*, *Investment Area*, and/or severely distressed non-metropolitan (rural) area, the *Applicant* must save qualified geographic units to its myCDFIFund account. Please refer to the FY 2005 Financial Assistance Guidance Document for instructions.

Complete the **Activities Level Chart**.

Complete the **Community Development Impact Chart**.

- Describe the economic distress in the *Applicant's Target Market(s)*, including any economic distress caused by severe natural disasters in an *Investment Area(s)* that has been declared

a Major Disaster Area by the Federal Emergency Management Agency ([www.fema.gov](http://www.fema.gov)) or an equivalent state and/or local government agency. Describe the need and demand for the *Applicant's Financial Products* and/or *Financial Services*. Identify other entities that may provide similar products to your *Target Market*; be sure to discuss how your *Financial Products* and/or *Financial Services* are similar and different. If the Applicant proposes to deploy a substantial portion of its *Financial Assistance* award to non-*Hot Zone* severely distressed non-metropolitan areas, provide quantitative and qualitative evidence of economic distress and unmet need for *Financial Products* and/or *Financial Services*.

**Narrative:**

6. Is the *Applicant* requesting *Financial Assistance* to expand its *Target Market*? *Target Market* expansion is defined as serving a *Target Market* not served by the *Applicant* in the last three fiscal years and/or served for less than one complete fiscal year as of application submission.
- \_\_\_ Yes      \_\_\_ No

- a) If yes, why did the *Applicant* decide to expand its *Target Market*? How did the *Applicant* ascertain that there is a need and demand to substantiate its *Target Market* expansion? Will it offer different *Financial Products* and/or *Financial Services* to the expanded *Target Market*?

**Narrative:**

7. Is the *Applicant* requesting *Financial Assistance* to provide/develop new *Financial Products* and/or *Financial Services* to its *Target Market*?
- \_\_\_ Yes      \_\_\_ No

- a) If yes, identify these *Financial Products* and/or *Financial Services* and explain why the *Applicant* decided to provide/develop such to its *Target Market*? How did the *Applicant* ascertain that there is a need and demand for the proposed *Financial Products* and/or *Financial Services*? If the *Financial Products* and/or *Financial Services* are to be developed, briefly discuss the *Applicant's* product development strategy, including timelines, expected deliverables, and progress made to date.

**Narrative:**

8. Is the *Applicant* requesting *Financial Assistance* to provide a current *Financial Product(s)* and/or *Financial Service* to its existing *Target Market(s)*?
- \_\_\_ Yes      \_\_\_ No

- a) If yes, has the *Applicant* experienced a high level of demand for such *Financial Products* and/or *Financial Services*, and does not have sufficient loan and/or equity capital to provide this product to its *Target Market*? How does the *Applicant* quantify the demand for this product(s)?

**Narrative:**

## II. Product Design and Implementation Strategy

9. Provide an overview of the *Financial Products* and/or *Financial Services* offered by the *Applicant*. For each *Financial Product* the narrative should include, but not be limited to, the following: minimum and maximum dollar amount of each transaction; average size; rates and terms; profile of borrowers/*Investees*; percentage of the portfolio and total dollars outstanding; and, if it is a new product, the year the product was, or is expected to, launch. For *Financial Services*, the narrative should include, but not be limited to, the following: minimum account balances; service fees; direct deposit; annual interest rates; individual development account (IDA) products; and if it is a new product, the year the product was, or is expected to, launch. For *Applicants* providing *Loan Purchases* and/or loan guarantees, discuss the components of these products.

**Narrative:**

10. For each of the products identified in question 10, how does the product address the need and demand of the *Target Market*? Discuss flexible underwriting criteria in terms of allowance for non-traditional forms of collateral; no- or low-downpayment options; non-traditional terms; and specific *Development Services* programs as a requirement of loan/investment. Does the product(s) serve as an innovative model for attracting financial resources to underserved markets? If so, explain.

**Narrative:**

11. Describe the *Applicant's Development Services*. Provide the following information: name of entity(ies) that provides *Development Services* (including *Applicant*, an *Affiliate*, and/or another entity); overview of the *Development Services* and how they enable clients to access the *Applicant's Financial Products* and/or *Financial Services*; how *Development Services* enable clients to avoid/address delinquencies and/or defaults; and how *Development Services* help borrowers establish or repair blemished credit histories, avoid predatory loan products, and/or address emergency financial needs.

**Narrative:**

12. Describe how the *Applicant* markets and delivers its *Financial Products* and/or *Financial Services* to the *Target Market*. Discuss marketing and/or outreach initiatives to generate demand for the *Applicant's Financial Products* and/or *Financial Services*.

**Narrative:**

13. Describe the *Applicant's* coordination efforts, specifically emphasizing how the *Applicant* leverages its resources by coordinating with other providers in the service area. Discuss such coordination efforts with community development public-private partnership initiatives, *Affiliates*, community organizations, financial institutions, state, local or tribal governments, and/or other key community development entities.

**Narrative:**

14. Has the *Applicant* created partnerships, formal or informal, with other *CDFIs* or other entities for the delivery of *Financial Products* and/or *Financial Services*? If so, discuss partnerships

that have allowed the entities to expand *Target Markets*; offer additional *Financial Products* and/or *Financial Services* to *Target Markets*; and/or improve operational efficiencies.

**Narrative:**

15. Describe the extent to which the *Applicant's* activities are consistent with existing economic, community, and housing development plans adopted by or applicable to its *Target Market* and/or service area, including Federally-sponsored or recognized economic development and housing initiatives.

**Narrative:**

16. Is the *Applicant* currently, or planning to become, *Community-Owned*?

☐ Yes ☐ No

17. Is the *Applicant* currently, or planning to become, *Community Governed*?

☐ Yes ☐ No

18. If the *Applicant* answered "yes" to questions 16 and/or 17, explain.

**Narrative:**

19. Is the *Applicant* submitting an application with a *Community Partner*?

☐ Yes ☐ No

- a) If yes, briefly describe the role of the *Community Partner* in delivering products and services to the *Applicant's Target Market* and/or service area. How will the *Community Partner* enhance the likelihood of the *Applicant's* success and how will service to the *Target Market* be better implemented by a partnership than by the *Applicant* alone?

**Narrative:**

**Submit** a copy of the written agreement(s) between the *Applicant* and *Community Partner(s)*.

### III. Community Development Performance/Impact

Refer to the Activities Level Chart and the Community Development Impact Chart.

20. Describe the *Applicant's* track record for providing *Financial Products* and/or *Financial Services* to its *Target Market*, and, if different, the identified *Target Market(s)* that will primarily benefit from the *Financial Assistance* award. Discuss the *Applicant's* activity that has been targeted to *the Target Markets*. Based on this track record and other relevant factors, what is the *Applicant's* strategy to achieve the projected activity to its *Target Markets*?

**Narrative:**

21. Based on the *Applicant's* projected overall activity associated with the receipt of a *Financial Assistance* award, what percentage of total activity will benefit *Hot Zones* and/or severely distressed non-Metropolitan (rural) Areas?

**NOTE:** This percentage should be the same as the percentage of total activity to the specified market shown on the Activity Levels Chart.

**Hot Zones:** \_\_\_\_\_ %

**Severely Distressed Non-Metropolitan (rural) Areas:** \_\_\_\_\_ %

22. For the activities identified in the Activities Level Chart, explain how the projections were derived (e.g., based on historic performance, market study or survey, etc.).

**Narrative:**

23. For each community development impact identified in the Community Development Impact Chart, discuss the methodology used for tracking the impacts historically, and calculating the projected impacts.

**Narrative:**

24. If the *Applicant* selected an "Other" impact for the Community Development Impact Chart, identify the impact and provide a narrative explaining why the *Applicant* has historically tracked, or is projecting to track, this particular indicator.

**Narrative:**

### Minimum Prudent Standard (MPS) for Deployment Ratio

Non-Regulated Entities	Insured Credit Unions (ICU) (Includes State Insured Credit Unions)	Insured Depository Institutions (Includes Depository Institution Holding Companies)
Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average	Historic and Projected: 3 Year Average
Deployment Ratio $\geq$ 50%	Total Loans/Total Shares $\geq$ 60%	Total Loans/Total Deposits $\geq$ 65%

**NOTE:** If the *Applicant* does not meet the historic and/or projected *Deployment Ratio MPS*, the narratives for questions 25 and/or 26 should include, but not be limited to, the following: any restrictions of the use of financing capital; level of financing commitments by the *Applicant*; any product features and/or market conditions that may limit deployment; internal *Deployment Ratio* goals; and Board-approved policies and procedures that may limit deployment.

Failure to meet the *MPS* does not necessarily preclude the *Applicant* from receiving a *Financial Assistance* award. However, the *Applicant* must explain why it believes it is effectively using its existing resources despite not meeting the *MPS*.

25. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **Historic** *Deployment Ratio*? Refer to the **Key Financial Trends and Ratios Chart**.

☐ Yes ☐ No

a) If no, explain why the *Applicant* does not meet the *MPS*.

**Narrative:**

26. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **Projected** *Deployment Ratio*? Refer to the **Key Financial Trends and Ratios Chart**.

☐ Yes ☐ No

a) If no, explain why the *Applicant* does not expect to meet the *MPS*.

**Narrative:**

27. How does the *Applicant* demonstrate that it has a need for *Financial Assistance*? How will the *Applicant* use the *Financial Assistance* (for equity capital, lending capital, etc.)?

**Narrative:**

28. If the *Applicant* is a prior awardee, describe how this current *Financial Assistance* request will allow the *Applicant* to create greater activity in the *Target Market*, serve a new *Target Market*, and/or create a greater community development impact compared to previous awards. As of application submission, how much of the *Applicant's* prior award(s) has been deployed to its *Target Market*?

**Narrative:**

# Management and Underwriting Section

**Purpose:** The Management and Underwriting section evaluates the *Applicant* on its underwriting and portfolio quality, its risk mitigation strategies and financial management, and the capacity, skills, and experience of the *Applicant's* management team as appropriate to deliver the proposed products and services and manage compliance with the Fund's reporting requirements.

## I. Portfolio Quality

Complete one or more **Loan Portfolio Quality Charts (LPQC)**, as applicable.

Complete the **Equity Investment Valuation Chart**, if applicable.

**For Non-Regulated Applicants:** If the *Applicant* has any loans in its portfolio, complete the **Loan Portfolio Quality Chart**. Likewise, if the *Applicant* has any *Equity Investments* in its portfolio, complete the **Equity Investment Valuation Chart**. *Equity-like Loans* should be included in the **Loan Portfolio Quality Chart** for the appropriate type of financing activity. The *Applicant* should complete as many charts as needed to describe its portfolio.

**Non-Regulated Applicants:** Complete the LPQC for each type of lending or investing activity for which the *Applicant* engaged in the last three completed fiscal years:

- *Affordable Housing Loans: First Lien*
- *Affordable Housing Loans: Subordinate Lien*
- *Business Loans: includes Commercial Real Estate and Community Facilities*
- *Consumer and Microenterprise Loans*

**Insured Credit Unions:** Complete the LPQC for *Insured Credit Unions*.

**Insured Depository Institutions and Depository Institution Holding Companies:** Complete the LPQC for *Insured Depository Institutions*.

**Loan Portfolio Quality Minimum Prudent Standards (MPS)**

Minimum Prudent Standard (MPS)	Non-Regulated Entities				Insured Credit Unions	Insured Depository Institutions & Depository Institution Holding Companies
	AH-First Lien	AH-Subordinate Lien	Business	Consumer & Microenterprise		
<b>Portfolio-at-Risk (PAR)</b>	$\leq 7.00\%$	$\leq 7.00\%$	$\leq 10.00\%$	$\leq 12.00\%$	Delinquent Loans/Total Loans $\leq 3.5\%$	Non current Loans & Leases/Total Loans & Leases $\leq 2.0\%$
<b>Annual Net Loan Loss Ratio</b>	$\leq 1\%$	$\leq 3\%$	$\leq 5\%$	$\leq 9\%$	Net Charge offs/Average Loans $\leq 0.75\%$	Net Loss/Avg. Total Loans & Leases $\leq 0.5\%$
<b>Loan Loss Reserves (LLR) Or Provision for Losses</b>	.5PAR $\leq$ LLR $\leq$ 1.5PAR	.5PAR $\leq$ LLR $\leq$ 1.5PAR	.5PAR $\leq$ LLR $\leq$ 1.5PAR	.5PAR $\leq$ LLR $\leq$ 1.5PAR	Comparing FY03 and FY04, <i>Applicant's</i> dollar amount of provision for loan losses changed by at least the same percentage and direction as the change in the dollar amount of delinquent loans.	Loans & Leases Allowance/Total Loans & Leases $\geq 0.5\%$ PAR



**NOTE:** If the *Applicant* did not meet any of the *MPS*, the narrative for question 29(a) should address, but not be limited to, the following: internal policies and procedures; market conditions that led to increases in delinquencies, defaults and/or *Write-Offs*; *Loan Loss Reserve* in pace with increases in delinquencies and/or defaults; and steps being taken to address delinquencies, defaults, and/or appropriate level of *Loan Loss Reserves*. Failure to meet any of the *MPS* does not necessarily preclude the *Applicant* from receiving a *Financial Assistance* and/or *Technical Assistance* award. However, the *Applicant* must explain why it believes it is appropriately managing risk despite not meeting the *MPS*.

29. Did the *Applicant* meet all of the *Minimum Prudent Standards (MPS)* for the *Portfolio-at-Risk Ratio*, *Annual Net Loan Loss Ratio*, and/or *Loan Loss Reserves (LLR)* or *Provision for Losses Ratio*? Refer to the appropriate **Loan Portfolio Quality Chart(s)**.

Check one of the following:

- ☐ Met all *MPS*  
☐ Met at least one *MPS* but not all *MPS*  
☐ Did not meet any of the *MPS*

a) If you met fewer than all of the *MPS*, explain. Describe the steps being taken to address the aforementioned. Explain why the *Applicant* believes it has reasonable risk management despite not meeting the *MPS*.

**Narrative:**

**Only answer if Applicant provides *Equity Investments*:**

30. Explain any losses and devaluations in the **Equity Investment Valuation Chart**. Discuss how *Equity Investment* performance has compared to projections. Explain the portfolio composition by number of *Equity Investments*, valuation, type of companies/sectors, and business stage. If applicable, explain any significant features of the *Equity Investments* (e.g., warrants).

**Narrative:**

## II. Management Controls

### I. Portfolio Monitoring and Underwriting Policies and Procedures

Does the *Applicant* have written, portfolio monitoring policies and procedures approved by its *Governing Board* addressing the following: (check all that apply)

Type of Policy and Procedure	Check Yes, No, or Not Applicable (NA)						Date Approved and/or Updated by <i>Governing Board</i>
Regular and timely portfolio review	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	
Methodology for setting <i>Loan Loss Reserves</i>	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	
<i>Write-offs</i> of loans delinquent over 120 days	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	
Portfolio diversification	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	
Roles and responsibilities of staff and/or <i>Governing Board</i> and committees in portfolio	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	

review and underwriting						
Underwriting/review criteria for each product		Yes		No		NA

31. Discuss the methodology for portfolio review, including the role of staff and/or *Governing Boar and/or* committee members. What is the frequency of portfolio review (e.g., monthly, quarterly, semi-annual, annual)? If the *Applicant* is requesting *Financial Assistance* for a new product, have policies and procedures been developed? Explain.

**Narrative:**

32. How does the *Applicant* address delinquencies and defaults in its portfolio?

**Narrative:**

33. Does the *Applicant* Write-Off/Charge-Off loans delinquent greater than 120 days?

\_\_\_ Yes \_\_\_ No

- a) If yes, describe the methodology for *Write-Off/Charge-Offs* of unrecoverable loans. If no, explain why the *Applicant* does not *Write-Off/Charge-Off* loans delinquent greater than 120 days.

**Narrative:**

34. Describe the methodology for determining *Loan Loss Reserves* based on an assessment of portfolio risk.

**Narrative:**

**Only answer if Applicant provides *Equity Investments*:**

35. How does the *Applicant* monitor its *Equity Investment* portfolio? Address such topics as how performance (impact) and financial benchmarks with *Investees* are determined; the types of reports *Investees* are required to submit; how the *Applicant* would be alerted if the *Investee* is experiencing financial and/or managerial difficulties; *Applicant's* role in company management and *Governing Board* decisions; and types of corrective actions/enforcement/activities that will be taken if benchmarks are not met.

**Narrative:**

36. Does the *Applicant* revalue its *Investees* at least annually? If yes, describe the methodology for portfolio valuation. If no, explain why the *Applicant* does not revalue its *Investees* at least annually.

**Narrative:**

## II. Financial Management Policies and Procedures

Does the *Applicant* have written financial management policies and procedures approved by its *Governing Board* addressing the following: (check all that apply)

Type of Policy and Procedure	Check Yes or No				Date Approved and/or Updated by Governing Board
Internal controls for idle cash, checks, and other liquid assets		Yes		No	
Conflict of interest		Yes		No	
Regular and timely review of internal and audited <i>Financial Statements</i>		Yes		No	
Financial accounts, produce internal <i>Financial Statements</i> , and/or to track and report on use of funds from public and private sources		Yes		No	
Human resources and succession		Yes		No	
Technology and communication systems		Yes		No	
Physical losses		Yes		No	

37. How does the *Applicant* maintain internal control over idle cash, checks, and other liquid assets? Describe the *Applicant's* methodology for determining liquidity and operating reserves.

**Narrative:**

38. Describe the *Applicant's* conflict of interest policies and procedures between the *Applicant*, its *Governing Board*, applicable committees, and borrowers/ *Investees*.

**Narrative:**

39. Explain how the *Applicant* minimizes risk in the following areas: human resources and succession; technology and communication systems; and physical losses. Describe the policies and procedures that have been instituted to mitigate these risks.

**Narrative:**

## III. Management Information Systems (MIS)

Does the *Applicant* have in place the Management Information Systems (MIS) (e.g., software programs and the like) to monitor the following? (check all that apply)

Type of MIS	Check Yes, No, or Not Applicable (NA)						Date Approved and/or Updated by Governing Board
<i>Financial Products</i> portfolio performance		Yes		No		NA	
<i>Financial Services</i>		Yes		No		NA	
Financial Accounts, produce internal <i>Financial Statements</i> , and/or to track and report on use of funds from public and private sources		Yes		No		NA	

40. For each item above for which the *Applicant* answered yes, provide the name of the current MIS in use and briefly describe the types of reports that are generated.

**Narrative:**

- a) For each item above for which the *Applicant* answered no, explain the *Applicant's* strategy for acquiring and implementing an effective MIS.

**Narrative:**

41. Does the *Applicant* have in place the systems and procedures that will ensure ongoing compliance with the following components of a CDFI Fund *Assistance Agreement*: identifying the geographic location and/or *Targeted Populations* to whom its *Financial Products* and/or *Financial Services* will be deployed; and submitting reports in a timely manner based on the applicable reporting periods? Has the *Applicant* acquired the technology and information systems to effectively report on its financial management, institutional level and transaction level data required to meet the Fund's annual reporting requirements using the Community Investment Impact System (CIIS)?

\_\_\_ Yes \_\_\_ No

- a) If no, explain the *Applicant's* strategy for acquiring and implementing the appropriate information systems and technology.

**Narrative:**

### III. Management Team

**Submit** an organization chart, current as of the date of the submission of this application, showing all positions including *Governing Board*, staff, and if applicable, volunteers and consultants that are an integral part of the *Applicant's* operations. Show supervisor and subordinate reporting relationships for all positions. The organization chart must include any staff shared with or donated by *Affiliate(s)*.

**Submit** a list of the *Governing Board* members and any key committees that are an integral part of the *Applicant's* operations (e.g., loan/investment committee, audit committee).

Complete the **Management Chart**.

**Attach** resumes or biographies of all key staff persons, board and committee members that are integral to implementing the *Comprehensive Business Plan*. The resume and/or biography must include the current position description for the individual.

42. Does the *Applicant* have any vacancies and/or plans to create new positions?

\_\_\_ Yes \_\_\_ No

- a) If yes, what is the *Applicant's* strategy and expected date for filling the position(s)?

**Narrative:**

43. Is the *Applicant* planning or contemplating a merger, acquisition, and/or operational joint venture with another entity?

\_\_\_ Yes      \_\_\_ No

b) If yes, is the organization(s) a certified *CDFI*? What is the expected timeframe and strategy for the merger, acquisition, and/or operational joint venture; and what impact will the action have on the *Applicant's* staffing and operations?

**Narrative:**

44. In the narrative below, the *Applicant* may provide any additional information not provided in the responses above relating to its management team and operations that may be critical to its ability to implement the components of the *Comprehensive Business Plan* (e.g., planned re-organization).

**Narrative:**

# Financial Health and Viability Section

**Purpose:** The Financial Health and Viability section evaluates the *Applicant's* liquidity and other elements of financial strength, including earnings and capital adequacy; its projected financial health, including its ability to raise operating support from sources other than the Fund, and its capitalization strategy; and the safety and soundness of regulated *Applicants*.

## **Financial Track Record:**

Complete the **Financial Data Input Chart** that is applicable to the *Applicant's* organization type (e.g., *Non-Regulated* non-profit; *Non-Regulated* for-profit; *Insured Credit Union*; and *Insured Depository Institution/Depository Institution Holding Company*).

**Submit** *Financial Statements* for the *Applicant's* three most recently completed fiscal years (or as many years as are available if the *Applicant* has been in operation less than three years).

**Non-Regulated Applicants:** **Submit** audited or reviewed *Financial Statements*. If audited or reviewed *Financial Statements* are not available, submit internally generated balance sheets (statements of financial position) and *Income and Expense Statements* (statements of activities), and respond to question 45, below.

**Applicants with Affiliate(s):** If the audited *Financial Statements* of the *Applicant* are consolidated with its *Affiliate(s)* and do not include separate schedules of the *Applicant's* financial position and *Income and Expense Statements*, **submit** a separate set of internally generated *Financial Statements* for the *Applicant*.

**Insured Credit Unions (ICUs), Insured Depository Institutions (IDIs), and Depository Institution Holding Companies (DIHCs):** **Submit** *Financial Statements* for the last three completed fiscal years that have been reviewed by the *Applicant's* *Appropriate Federal Banking Agency* (e.g., National Credit Union Administration Form 5300, or Uniform Bank Performance Report). **Submit** Financial Performance Ratios (FPR) prepared by the *Applicant's* *Appropriate Federal Banking Agency* for the last three completed fiscal years.

**Historic and Projected Financial Information:**

**Minimum Prudent Standards (MPS) Table**

	<b>Non-Regulated Entities</b>	<b>ICUs</b>	<b>IDIs &amp; DIHCs</b>
	<b>Historic and Projected: 3 Year Average</b>	<b>Historic and Projected: 3 Year Average</b>	<b>Historic and Projected: 3 Year Average</b>
<b>Capital</b>	Non Profit: <i>Net Assets/ Total Assets</i> $\geq 20\%$	<i>Net Worth/Total Assets</i> $\geq 6\%$	<i>Tier 1 Leverage Capital</i> $\geq 8\%$
	For Profit: <i>Shareholders Equity/ Total Assets</i> $\geq 20\%$		
<b>Earnings</b>	<i>Net Income</i> $\geq \$0$	<i>Return on Average Assets</i> $\geq 0.65\%$	<i>Net Operating Income/Average Assets</i> $\geq 0.65\%$
<b>Self-sufficiency</b>	<i>Self-Sufficiency Ratio, Non-Profit:</i> $\geq 40\%$	N/A	N/A
	<i>Self-Sufficiency Ratio, For-Profit:</i> $\geq 70\%$		
<b>Capital Liquidity</b>	<i>Current Ratio</i> $\geq 1.0$	<i>Asset-Liability Management: Investments w/ maturity or re-pricing period of less than 1 yr /Total Investments</i> $\geq 46\%$	<i>Asset Liability Management: Net Non Core Funding Dependence</i> $\leq 21\%$
<b>Operating Liquidity</b>	<i>Operating Liquidity Ratio</i> $\geq 1.0$	N/A	N/A

45. For *Non-Regulated Applicants* only, did the *Applicant* submit audited or reviewed *Financial Statements* for the three most recently completed fiscal years?

\_\_\_ Yes \_\_\_ No

a) If no, explain why audited or reviewed *Financial Statements* are not available.

**Narrative:**

46. Provide key assumptions underlying the projections for the projected three years (FY 2006-FY 2008) identified in the **Financial Data Input Chart**.

**Narrative:**

**NOTE:** Failure to meet any of the historic and/or projected *MPS* does not necessarily preclude the *Applicant* from receiving a *Financial Assistance* and/or *Technical Assistance* award. However, the *Applicant* must explain why it believes it is financially sound despite not meeting the *MPS*.

**Capital Ratio:**

47. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **historic** *Capital Ratio*?

\_\_\_ Yes \_\_\_ No

- b) If no, explain why the *Applicant* believes it is financially sound although it does not meet the *MPS*. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements relating to the *Applicant's* capital level or capitalization plan.

**Narrative:**

48. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **projected Capital Ratio**?

☐ Yes ☐ No

- a) If no, explain the *Applicant's* strategy to become financially sound although it does not meet the *MPS*. Address such factors as the *Applicant's* capital structure, capitalization strategy (such as the use of debt, equity, and secondary market transactions), portfolio composition, and how funding from the CDFI Fund will help it meet the *MPS*. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements relating to the *Applicant's* capital level or capitalization plan.

**Narrative:**

### **Earnings Ratio**

49. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **historic Earnings Ratio**?

☐ Yes ☐ No

- a) If no, explain why the *Applicant* believes it is financially sound although it does not meet the *MPS*. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements that affect the *Applicant's* earnings.

**Narrative:**

50. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **projected Earnings Ratio**?

☐ Yes ☐ No

- a) If no, explain the *Applicant's* strategy to become financially sound although it does not meet the *MPS*. Address such factors as any unusual losses, plans for preventing such losses in the future, strategy for increasing earnings, and how the requested *Financial Assistance* and/or *Technical Assistance* will help the *Applicant* increase its earning potential. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements that affect the *Applicant's* earnings.

**Narrative:**

### **Capital Liquidity Ratio:**

51. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **historic Capital Liquidity Ratio**?

☐ Yes ☐ No



- a) If no, explain why the *Applicant* believes it is financially sound although it does not meet the *MPS*. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements that affect the *Applicant's* liquidity.

**Narrative:**

52. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **projected Capital Liquidity Ratio**?

\_\_\_ Yes \_\_\_ No

- a) If no, explain the *Applicant's* strategy to become financially sound although it does not meet the *MPS*. Address the factors affecting the *Applicant's* ability to meet its liabilities, and how the requested *FA* and/or *TA* will help the *Applicant* increase its operating liquidity. If the *Applicant* is an *ICU*, *IDI* or *DIHC*, discuss any regulatory constraints or agreements that affect the *Applicant's* liquidity.

**Narrative:**

**Self-Sufficiency Ratio:**

Please note, not applicable for *ICUs*, *IDIs*, and *DIHCs*.

53. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **historic Self-Sufficiency Ratio**?

\_\_\_ Yes \_\_\_ No

- a) If no, explain why the *Applicant* believes it is financially sound although it does not meet the *MPS*.

**Narrative:**

54. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **projected Self-Sufficiency Ratio**?

\_\_\_ Yes \_\_\_ No

- a) If no, explain the *Applicant's* strategy to become financially sound although it does not meet the *MPS*. Address such factors as a strategy and timeline for increasing total earned income and decreasing expenses, intractable impediments to self-sufficiency (e.g., product mix, market served), and how the requested *FA* and/or *TA* will help increase the *Applicant's* self-sufficiency.

**Narrative:**

**Operating Liquidity Ratio:**

Please note, not applicable for *ICUs*, *IDIs* and *DIHCs*.

55. Did the *Applicant* meet the *Minimum Prudent Standard (MPS)* for the **historic Operating Liquidity Ratio**?

\_\_\_ Yes \_\_\_ No

- a) If no, explain why the *Applicant* believes it is financially sound although it does not meet the *MPS*.

**Narrative:**

56. Does the *Applicant* expect to meet the *Minimum Prudent Standard (MPS)* for the **projected** *Operating Liquidity Ratio*?

\_\_\_ Yes      \_\_\_ No

- a) If no, explain the *Applicant's* strategy to become financially sound although it does not meet the *MPS*. Address such factors as a strategy and timeline to increase unrestricted cash and cash equivalents to maintain operations; likely sources of operating support other than the Fund; and other factors relating to the *Applicant's* ability to meet operating expenses; and how the requested *FA* and/or *TA* will help increase the *Applicant's* operating liquidity.

**Narrative:**